



**The Voice of Small Business**

Amanda Fisher, Assistant State Director  
National Federation of Independent Business  
115 W. Allegan / Suite 310  
Lansing, MI 48933  
(517) 485-3409

## **Testimony on Proposal to Reform No-Fault Auto Insurance**

House Insurance Committee  
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My name is Amanda Fisher and I am the Assistant State Director for the National Federation of Independent Business, an organization providing legislative advocacy for more than 10,000 Michigan small businesses and 350,000 nationwide.

I am here to support HB 4612 which would reform Michigan's No Fault Auto Insurance system. A survey of NFIB membership in January, showed overwhelming support for reforms that would control costs to personal injury protection.

Auto insurance is a necessary expense for small business owners as much as it is for their employees and the rest of the citizens of Michigan. In addition, those small businesses that have company vehicles are required to pay into the system. However, if there is an accident or injury, they must use the workers compensation system, not no-fault. So, essentially, they are forced to pay twice for the same protection.

In addition, NFIB has had a long history of supporting legislation that brings Michigan more in line with other states in the country in regards to the cost of doing business. We have never believed that it is conducive to the business climate, to stick out when it comes to higher taxes or more regulation.

With No-Fault, as you have heard in previous testimony, we are currently so far and above any other state with our unlimited benefits, it's almost unbelievable. Even with a cap of \$1 million, we will be 20 times higher than the next state.

It is imperative that the No Fault system have appropriate medical cost containment. HB 4612 would allow the new entity of the MC3 to negotiate rates with hospitals just as any insurance carrier or the Medicaid and Medicare systems do. The no fault auto system should not serve as a way for hospitals to make up their shortfalls on the backs of Michigan citizens.

The changes in attendant care will also bring cost savings that are necessary in order to make auto rates more competitive in the state of Michigan. We believe the compensation

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to family members helping those who have been injured is conducive to a better quality of life for those injured. However, these costs need to be in line with reality.

In addition, we are pleased that the Governor and the sponsor have made sure that current people receiving no-fault benefits will be unaffected and covered as their policy stated. This is the only fair thing to do.

HB 4612 represents a reasonable reform that will free up capital for small businesses to hire employees, purchase equipment and grow their businesses. We applaud the Governor and the Legislature for bringing these reforms forward.

We urge your support and quick action on No Fault Reform.

Thank you for your support of small business.